

Opening Statement of the Honorable Bob Latta
Subcommittees on Digital Commerce and Consumer Protection
and Environment
Hearing on “Update on the Corporate Average Fuel Economy Program and
Greenhouse Gas Emissions Standards for Motor Vehicles”
December 12, 2017

(As prepared for delivery)

Good Morning, I would like to thank our witnesses for being here this morning. Today we are here to discuss with stakeholders the Corporate Average Fuel Economy Program, or CAFE, at the National Highway Transportation Safety Administration (NHTSA), and the Greenhouse Gas Emissions Standards at the U.S. Environmental Protection Agency (EPA) that govern fuel economy standards.

NHTSA’s CAFE program was established by Congress in 1975. The goals of the program are to improve vehicle fuel economy, reduce oil consumption, and secure the nation’s energy independence. The CAFE program has undergone major changes and modifications in the past four decades – both because of political and economic forces.

Less than 10 years ago, and on top of the CAFE program, the EPA standards were created to incentivize the production of more efficient vehicles that will use less fuel and emit less carbon dioxide. In addition, various States have enacted their own standards with respect to automobile emissions.

The combination of these requirements has created an incredibly complicated regulatory scheme. Improving fuel efficiency and achieving energy independence are important goals. That said, real world facts and data must drive regulatory decisions that impact such an important and far-reaching part of the American economy and consumers’ daily lives.

The previous Administration announced an attempt to create a national standard which included a plan for NHTSA and EPA to work together to avoid conflicting regulations. Whatever progress had been made on that front was undone, however, when earlier this year the EPA issued its Final Determination that the standards for Model Year 2022-2025 are appropriate. EPA took this action without coordinating with NHTSA, clearly undermining the earlier pledge.

The result is that automakers potentially find themselves in a position where they are in compliance with one Federal program, but out of compliance and subject to penalties with another's.

This type of fragmented regulation harms our economy, our workers and consumers. The automotive industry is a huge source of American jobs including nearly 100,000 Ohioans.¹

A hallmark of the American automotive industry has been the ability to innovate and build cars that American drivers want to buy.

But outdated, conflicting or impossible-to-meet government regulations get in the way of this type of innovation. It is a rare event, to say the least, for policymakers in Washington to have better ideas about how to meet consumer demand than consumer themselves. All too often Washington stands in the way, particularly when it creates unnecessary confusion with conflicting rules.

My constituents know what type of vehicle works best for their family and their budget. That may change over time and each American family should be able to make their own choice without the federal government putting extra strain on their finances. Also, there is a real risk that the costs associated with duplicative federal and state fuel economy standards could force families to choose older cars without the benefits of new safety technologies. NHTSA's safety mission and statutory obligations must remain its guiding principle.

When we are just starting to turn the corner after many challenging years, it is disheartening, but not surprising, to see the EPA rush out a Final Determination in the waning hours of the last Administration.

I am interested in hearing from the witnesses about industry's experience attempting to navigate this tricky regulatory terrain, and what can be done to help support choice for American consumers and jobs across the country.

Thank you for being here today and I look forward to hearing your testimony.

¹ <https://www.bls.gov/iag/tgs/iagauto.htm>